
Subject: NRT OnDemand – Port Colborne Inclusion

Report to: Public Works Committee

Report date: Tuesday, July 13, 2021

Recommendations

1. That the report from the City of Port Colborne titled, “Transit Enhancement Opportunity” (Appendix 1 to Report PW 38-2021) **BE RECEIVED** for information;
2. That the Chief Administrative Officer **BE AUTHORIZED** to execute any amendments to the Agreement and/or Service Order between the Regional Municipality of Niagara and River North Transit, LLC (a.k.a. Via Mobility, LLC) in the amount of \$898,840 (excluding HST) to enable the inclusion of a turnkey, on-demand transit service pilot in Port Colborne to be branded and administered as part of the Niagara Regional Transit (NRT) OnDemand pilot;
3. That the Chief Administrative Officer **BE AUTHORIZED** to execute a Memorandum of Understanding (MOU) between Niagara Region and the City of Port Colborne to allow for Niagara Region to facilitate and administer the deployment of on-demand transit services within the City of Port Colborne as approved in the terms and value outlined in City of Port Colborne report 2021-15; and
4. That the Chief Administrative Officer **BE AUTHORIZED** to execute amendments and/or extensions to both the MOU and the Agreement/Service Order such that it facilitates the continuity of services as a result of the Niagara Transit Governance Study.

Key Facts

- The purpose of this report is to seek Council’s approval to allow Port Colborne to integrate the City’s on-demand transit pilot into the Region’s existing NRT OnDemand pilot program, in order to capitalize on the Region’s preferred pricing, reduce administrative overhead, and facilitate ease of use for riders traveling between municipalities.
- PW 60-2019 and PW 41-2020 authorized the Chief Administrative Officer to execute agreements with Via Mobility for the deployment of on-demand transit in West

Niagara and Niagara-on-the-Lake, which successfully launched August 17, 2020 and November 23, 2020 respectively.

- In August 2020, the City of Port Colborne approached Niagara Region to revisit the potential for bringing NRT OnDemand to their municipality, much in the same manner that the service was expanded in Niagara-on-the-Lake.
- On January 11, 2021, Port Colborne's Council approved a pilot deployment for an \$898,840 (excluding HST) on-demand service to operate within its municipal boundaries (Appendix 1) from approximately June 2020 to the termination of Niagara Region's contract.
- That approval also included a request to Niagara Region to approve, prepare, manage, and integrate their service area with the existing NRT OnDemand service in addition to making a financial contribution of \$126,200 in 2021 and \$187,500 in 2022 to enable inter-municipal connections between Port Colborne and Fort Erie and Port Colborne and West Niagara.
- A new start date of January 2022 has been confirmed by Port Colborne staff. As a result, only the 2022 portions of the Agreement and funding are being requested. This will result in a total contract value of \$510,700 of which Niagara Region's portion would be \$187,500.
- On January 21, 2021 Niagara Region Council approved the renewal of the NRT OnDemand pilot for a second year.

Financial Considerations

The City of Port Colborne currently spends \$303,700 (\$135,700 levy, \$168,000 Provincial Gas Tax (PGT) revenue and fares) for transit services (all figures referenced exclude HST). In order to move to an on-demand service, the City requires \$375,000 more than their current expenditure in 2022. Port Colborne City Council has approved an increase of half of that amount (\$187,500 to cover January through August 2022). The City of Port Colborne is requesting that Niagara Region pool resources by contributing \$187,500 in 2022.

The purpose of this Regional contribution is to facilitate the fulfillment of Niagara Region's mandate to provide planned inter-municipal connections (per CAO 8-2017, LNTC C-21-2018), which in this case, includes a new connection to Fort Erie Transit via Crystal Beach, to West Niagara and the Port Colborne Link. This connectivity would be the final component in truly connecting all of Niagara's municipalities through public transit, which is an important milestone in the ongoing transit governance work. It is important to note that the fees above are estimates based on annualized costs and will

be finalized once the exact start and end dates are confirmed. It would be staff's intention to align the end date with the other service areas in West Niagara and Niagara-on-the-Lake where applicable.

Niagara Region's contribution for inter-municipal trips will be accommodated in the 2022 Operating Budget, as staff had previously identified connecting Port Colborne and Fort Erie by way of inter-municipal transit in the 2020 budget, and thus those funds are now part of the NRT existing base budget. As a backup, should 2022 provide financial challenges to transit relating to the ongoing fallout of COVID-19, staff has identified that it is able to cover this portion of the pilot funding for the inter-municipal expansion through the Region's PGT. For 2022, Port Colborne would use the remainder of its transit reserve and any additional funding would be from its stabilization reserve. Refer to Appendix 1 for further detail.

Additionally, a Memorandum of Understanding between Niagara Region and the City of Port Colborne should provide consideration for indirect costs to NRT staff relating to the Contract Administration of the project on the City's behalf within the existing NRT OnDemand envelope. Items such as customer service inquiries, community engagement, paid advertising, signage, etc. will need to be accounted for in the MOU, similar to what exists for the West Niagara and NOTL service areas.

Analysis

In 2019, staff brought forward report PW 60-2019 which outlined the on-demand simulation results for West Niagara. Based on a request from the Inter-municipal Working Group (IMTWG), and in alignment with the service area expansions outlined in CAO 8-2017 and LNTC-C 21/22/23-2018, those simulation results also contained a review of opportunities to bring on-demand services to Port Colborne and Fort Erie for the purposes of connecting the southern municipalities of Niagara. In addition, that report also referenced the need for additional discussions with Port Colborne and Fort Erie.

In August of 2020, City of Port Colborne staff asked Regional staff to assist the City in further investigating the feasibility of bringing on-demand transit (specifically NRT OnDemand) to Port Colborne. Between September and December, staff from the City, the Region and Via worked together to review existing ridership data, identify potential service options and quantify service parameters; a process that built off of the simulation results (PW 60-2019) done by the IMTWG.

The culmination of that work is the City of Port Colborne's report "2021-15 - Transit Enhancement Opportunity" (Appendix 1). That report outlines the difference between two options; (Option 1) maintaining the fixed-route community bus or (Option 2) fully integrating with NRT OnDemand that would service the entirety of the municipality and provide inter-municipal connections as identified above. City staff recommended their Council approve Option 2 – full integration with NRT OnDemand. Port Colborne Council unanimously approved that recommendation as well as one that requests Niagara Region to oversee the integration into the existing NRT OnDemand pilot, much in the same way as the Niagara-on-the-Lake expansion which launched in November 2020.

Staff at the City of Port Colborne have requested that, should Regional Council approve this service expansion, target launch date of January 1, 2022 be sought. This date is the result of the City desiring to have on-demand transit in place prior to the conclusion of the Niagara Transit Governance Study in recognition that a new entity will not have the capacity to change service models in the first few years after upload. The actual launch date will be finalized upon approval of this report and once a contract with the service provider can be established. Regardless of the start date, the end date will be set to align with the end date for the West Niagara service area. It is also worth reiterating that staff is requesting that the CAO be authorized to extend the length of the contract in order to maintain service continuity should the results of the governance work require a transition period.

Full integration with NRT OnDemand would require the City to have two dedicated vehicles in order to service the whole municipality and meet forecasted service demands. Additionally, this option would allow for ticket pricing continuity across the various Niagara Region Transit systems. Not only would integration with NRT OnDemand greatly enhance the rider experience in Port Colborne, it would also facilitate additional connectivity with the West Niagara municipalities, connection to the Welland Terminal, and to Fort Erie Transit through a connection in Crystal Beach.

Alternatives Reviewed

The alternative is to decline the City's request for funding, partnership and integration of services. This would default the City to continue running the fixed-route community bus that only services a portion of the City's urban area and by extension, a small portion of its residents. This would also impact the residents of the surrounding municipalities as they would not benefit from the enhanced connectivity. From a rider perspective, providing a single online app and transit brand makes the user experience much simpler and highly efficient. Moreover, combining multiple transit agencies into a single service

also highlights the collaborative feasibility of the work being undertaken more broadly as part of the larger ongoing transit governance review. It is for these reasons that staff does not recommend declining the request from the City of Port Colborne.

Relationship to Council Strategic Priorities

The IMT Service Implementation Strategy directly aligns with the Council Strategic Priority: Responsible Growth and Infrastructure Planning (Objectives 3.1 & 3.4) through advancing regional transit and facilitating the movement of people and goods.

Other Pertinent Reports

- PW 1-2021 Niagara Regional Transit (NRT) OnDemand Contract Renewal
- PW 41-2020 NRT On-Demand – Niagara-on-the-Lake Inclusion
- PW 60-2019 On-Demand Transit – Pilot Authorization (Simulation Results)
- CAO 8-2017 Niagara Region’s Transit Service Delivery and Governance Strategy

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Appendices

Appendix 1 2021-15 – Transit Enhancement Opportunity